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Veröffentlichungsversion / Published Version  
Zeitschriftenartikel / journal article

### Empfohlene Zitierung / Suggested Citation:

Jacuniak-Suda, M., & Mose, I. (2014). Social enterprises in the Western Isles (Scotland) - drivers of sustainable rural development? *Europa Regional*, 19.2011(2), 23-40. <https://nbn-resolving.org/urn:nbn:de:0168-ssoar-411683>

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## Social Enterprises in the Western Isles (Scotland) – Drivers of Sustainable Rural Development?

MARTA JACUNIAK-SUDA and INGO MOSE

### Abstract

*Like many peripheral rural areas in Europe, the Western Isles of Scotland have long been regarded as rather backward and underdeveloped. Given the continuing population loss, low entrepreneurial behaviour as well as recent cases of rejection of large industrial and environmental projects, the perception of the Western Isles as a fragile area seems to have manifested itself even more deeply.*

*However, in view of far-reaching structural transformation processes (globalisation, EU rural policies, Scottish devolution, new public management) as well as growing social capital and local pride, the Western Isles provide an example of rural regeneration based on endogenous development. This is reflected by an increasing number of social enterprises that provide much-needed services, such as transport, health care, housing, training, to name but a few. A process has been launched to re-think local priorities as well as to find ways towards sustainable rural development.*

*Based on results of qualitative research, this paper provides an overview of selected social enterprises in the Western Isles. In particular, characteristic features and the contribution of social enterprises to sustainable rural development are given special emphasis in this analysis.*

Sustainable rural development, peripheral rural areas, social enterprises, Scotland

### Zusammenfassung

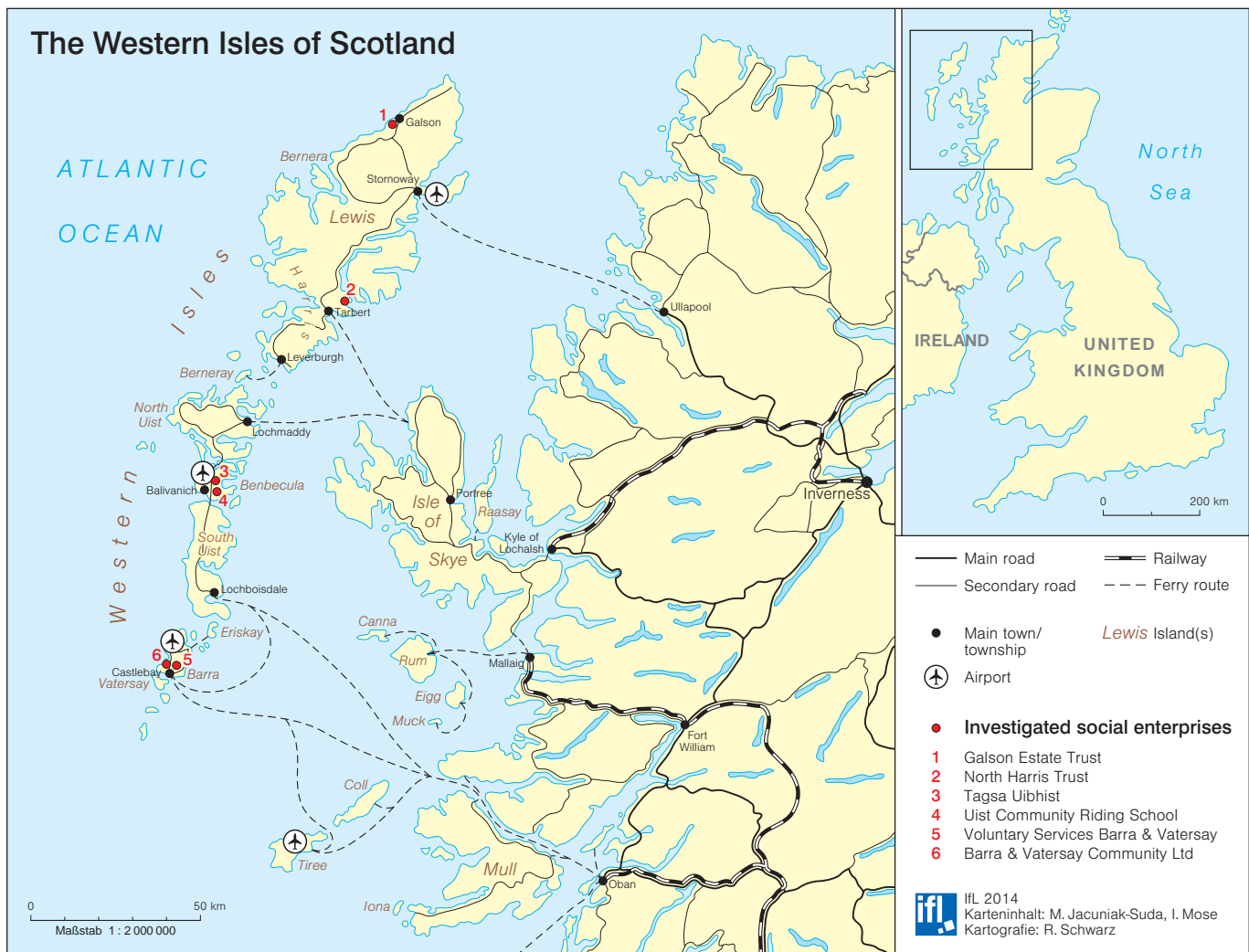
#### **Die sozialen Unternehmen auf den Western Isles (Schottland) – Triebkräfte einer nachhaltigen ländlichen Entwicklung?**

*Wie viele andere ländliche Peripherien Europas wurden die Western Isles (Äußere Hebriden) lange Zeit als rückständig und unterentwickelt wahrgenommen. Vor allem vor dem Hintergrund anhaltender Bevölkerungsverluste, gering ausgeprägtem unternehmerischem Handeln und, in jüngster Vergangenheit, der Verweigerung großmaßstäbiger Industrie- wie auch Umweltschutzprojekte schien sich die Wahrnehmung der Western Isles als fragile Peripherie sogar noch weiter zu verstärken.*

*Angesichts weitreichender struktureller Transformationsprozesse (Globalisierung, ländliche Entwicklungspolitik der EU, schottische Devolution, neue Formen des öffentlichen Managements), wachsendem Sozialkapital und lokalem Bewusstsein gelten die Inseln jedoch inzwischen auch als ein Beispiel für die erfolgreiche Regenerierung einer Region auf der Basis ihrer endogenen Potenziale. Diese spiegelt sich vor allem in der wachsenden Zahl von sozialen Unternehmen wider, die wichtige Dienstleistungen bereitstellen, die lange entbehrt werden mussten, u.a. in den Bereichen öffentlicher Verkehr, Gesundheitsversorgung, Wohnungswesen und Ausbildung, um nur einige zu nennen. Auf diese Weise ist ein Prozess in Gang gesetzt worden, der der Neubestimmung lokaler Prioritäten ebenso wie der Erschließung geeigneter Wege einer nachhaltigen Entwicklung dient.*

*Basierend auf den Ergebnissen qualitativer Untersuchungen vermittelt dieser Aufsatz einen Überblick ausgewählter sozialer Unternehmen auf den Western Isles. Im Fokus der Betrachtung stehen dabei die charakteristischen Merkmale sowie der Beitrag der sozialen Unternehmen zu einer nachhaltigen ländlichen Entwicklung.*

Nachhaltige ländliche Entwicklung, periphere ländliche Räume, soziale Unternehmen, Schottland



Map: The Western Isles of Scotland

## Introduction

The Western Isles (also known as the Outer Hebrides or in Gaelic “Innse Gall”, see Map) are a chain of over 119 islands located off the west coast of Scotland. Together they form the local government body of the Western Isles Council introduced back in 1975, officially renamed Comhairle nan Eilean Siar (CNES) in 1997 due to the Gaelic-speaking majority population in the archipelago. Only 11 of the islands are permanently inhabited, while much of the archipelago is classified as a protected area under different environmental regulations due to the islands’ richness in natural habitats. According to Highlands and Islands Enterprise (HIE), agency responsible for regional development, the Western Isles are classified as *fragile areas* (HIE 2011).

This attribution is due to a number of classical characteristics which reflect the significant structural weaknesses for which the archipelago has been known. In addition to its obvious remoteness and geographical exposition on the Atlantic fringe, the long experience of population decline underlines the image of fragility. In the aftermath of the *Highland Clearances*<sup>1</sup> at the beginning of the nineteenth century, the Western Isles have experienced an ongoing loss in its population

<sup>1</sup> The term “Highland Clearances” refers to the forced displacement of significant numbers of the population of the Scottish Highlands and Islands during the eighteenth and nineteenth century as a result of the agricultural revolution, namely the transformation of formerly communal land-ownership into large private estates run by aristocratic landowners and mainly based on large-scale sheep production. People were either moved to the coast, into the developing industrial cities (e.g. Glasgow) or even to the British colonies (e.g. Canada, New Zealand) (HUNTER 1999).

with 26,080 inhabitants remaining at present<sup>2</sup>. The only large town is the islands’ capital Stornoway with 5,660 inhabitants (CNES 2013). Thus, in contrast to the rest of the Highlands and Islands, population decline appears as a lasting threat up to the present day (SCHMIED 2004; MOSE and JACUNIAK-SUDA 2011).

The private economy of the islands can be characterized by a large number of small enterprises based on natural resources, including food and drink, renewable energy, mineral extraction, construction, seaweed industry as well as tradi-

<sup>2</sup> Over the period 1991 to 2001 the Western Isles experienced a decline in population of 10 % which is the highest percentage decline of any Local Authority area in Scotland over the period. Looking back further over last century (1901-2001), the population of the Outer Hebrides has declined by 43 % (46,000 in 1901) (<http://www.cne-siar.gov.uk/factfile/population/> (29.11.2013)).

tional skills (e.g. weaving, boat building, decorative and fine arts). Additionally, a significant amount of households remain connected with traditional crofting<sup>3</sup> activities. It is estimated that over two thirds of the Western Isles is in crofting tenure (approximately 6,000 crofts) (CNES 2012, p. 5). Due to the obvious need for alternatives in employment, tourism seems to offer new development opportunities for the islands. A growing number of B&B businesses, but also small hotels and self-catering accommodation, reflect the recent dynamics of the tourism industry based both on the attractions of the natural environment (e.g. guided tours, boat trips, bird watching) and the cultural assets of the Western Isles (Gaelic music festivals and Gaelic language courses) (MOSE and SCHRÖDER 2012; SYMON 2002). However, the bid on the designation of a Harris National Park in the heart of the Western Isles, which according to a feasibility study would attract jobs, encourage tourism and halt the out-migration of young people, was rejected due to lack of support from the Western Isles Council.<sup>4</sup>

A number of economic challenges impact the islands owing to their peripherality, insularity and scattered communities (Photo 1). Long and costly transportation of goods, narrow road networks and shortage of skilled workforce together with still expensive<sup>5</sup> and monopolized ferry services between individual islands and limited daily accessibility of the islands for tourists are the main constraints to entrepreneurial activities in

the Western Isles. Due to limited employment opportunities in private industry, the public sector is the main employer in the Western Isles as nearly 30 % of the islanders work in public services. Also the Royal Air Force (RAF) has for long been of significant importance regarding employment because of the location of missile testing in the Western Isles. However, much of the military has been removed from the islands recently. As the public sector generally is facing significant financial challenges, the future of many civil servants is insecure (HIE 2011).

of this development is strongly connected to the significant changes that have come about with the Scottish land reform functioning as a catalyst for local people to organize in a bottom-up process. According to legislation implemented in 2001 under the Scottish Land Reform Bill local communities are given the right to buy out their land and thereby overcome the nearly 900 years history of quasi feudal land rights (SCHMIED 2001). In the meantime, supported by government funding, an increasing number of community groups have taken advantage of this option



Photo 1: Rural landscape of Berneray, North Uist (Jacuniak-Suda 2010)

However, the last couple of years has seen a high mobilization and an emergence of community groups and social enterprises as a result of grassroots projects within the framework of Dúthchas, Initiative at the Edge and the European Union (EU) LEADER programme, and furthermore, the philosophy of “Big Society” introduced by the UK’s Conservatives-Liberal Democrats coalition elected in 2010<sup>6</sup>. Much

(MOSE and JACUNIAK-SUDA 2011, SKERRAT 2011, 2013). Having recognised both market gaps and local needs, the community groups or individuals set up different types of social enterprises (SEs) with the aim of economic, social and environmental regeneration. Against the background of the fragile economic basis and the unstable population structure this is seen as a major contribution to the provision of basic services as well as the creation of new employment opportunities and thus to a sustainable rural development perspective.

Due to the fact that there are very few publications on the role of SEs in sustainable rural development in the UK and

<sup>3</sup> Crofting is a form of land tenure and small-scale farming connected with additional non-farming sources of income unique to the Scottish Highlands and Islands introduced after the end of the Highland Clearances and legally embedded in the Crofters’ Holding (Scotland) Act 1886 (HUNTER 1999).

<sup>4</sup> More on: <http://www.hebrides-news.com/harris-national-park-21111.html> (13.11.2013)

<sup>5</sup> The Road Equivalent Tariff (RET) scheme, introduced in October 2008, has been a major incentive to travel from the mainland Scotland to the Western Isles. It is said to have boosted the local tourist trade and local economies since then. In 2011, RET has been made permanent and also introduced to inter-island routes (<http://www.transportscotland.gov.uk/news/Road-Equivalent-Tariff-extended>). However, the ferry links between the individual islands are still expensive. For example, a 1 hour ferry route from Leverburgh (Harris) to Berneray (North Uist), 1 car and 1 person return, costs 69,20 £ (Source: <http://www.calmac.co.uk/tickets>).

<sup>6</sup> The notion of the ‘Big Society’ forms a basis to the UK’s government’s reform of the public sector. It puts the emphasis on the values of personal responsibility, localism and collective initiative which shall lead to the decentralization of power to communities and individuals by engaging them in the delivery of services. By doing so, it opens up public services to new providers, such as social enterprises (HILL 2012, pp. 13ff.).



specifically in Scotland, this paper takes a closer look at selected SEs in the Western Isles with the aim of determining specific features of SEs and their contribution to sustainable rural development. In particular, the following research questions will be addressed:

- What type of social enterprises can be identified in the Western Isles?
- What kind of activities and services do the examined social enterprises provide?
- What is the contribution of social enterprises to economic, social and environmental sustainability in the Western Isles?
- What does rural sustainable development mean in the context of the Western Isles?

Bearing in mind the current challenging economic situation in the UK's third sector resulting in staff rotation and short life spans of community projects, this paper can only provide a current overview. Moreover, the paper does not aim to provide completeness of information or to compare case studies against each other; rather, the aim of the paper is to point out current trends and developments derived from an analysis of selected SEs.

Regarding the organization of the paper, in the first section the authors' definition of social enterprises and relevant literature on empirical findings in the UK are presented. The second chapter is dedicated to the scientific debate on sustainable rural development and different perspectives from which this term can be analysed. The results of an in-depth analysis of six social enterprises examined in the light of economic, social and environmental aspects of sustainable development make up the main part of the paper. Finally, drawing from discussion, some conclusions will be provided at the end of the paper.

The findings of the paper go back to 12 semi-structured interviews carried out in July 2009-2010 within the framework of the research project "Regional governance in rural peripheral areas of Europe" funded by the German Research Foundation. Follow-up interviews took place in

June/July 2012. The key interviewees included directors, project managers and employees working for the selected SEs, representatives of the Western Isles Council, Highlands and Islands Enterprise, Lews Castle College UHI (Stornoway), Crofting Commission and the Local Action Group LEADER Innse Gall. The results of the interviews were supported by desktop research which involved reviewing plans and programmes produced by the Western Isles Council, Highlands and Islands Enterprise, community development programmes, regional and local newspaper articles, but also an analysis of statistics on the Western Isles and websites of the selected enterprises. Interviews and data collection were followed up by visits to the selected SEs and the respective study areas. The SEs included Galson Estate Trust (Isle of Lewis), North Harris Trust (Isle of Harris), Uist Community Riding School and Taga Uibhist (Isle of Benbecula), Voluntary Action Barra and Vatersay, Barra and Vatersay Community Ltd (both Isle of Barra). The geographical areas of the SEs' activities cover parts of the Western Isles and represent their socio-economic characteristics in terms of a peripheral rural area challenged by massive out-migration of young people, economic and social deprivation (e.g. alcohol abuse) due to a decline in fishing, crofting and RAF activities as well as high dependency on employment in the public sector. Nonetheless the choice was not based on any kind of typology but rather pragmatic considerations such as accessibility and willingness to cooperate. The common feature of the selected enterprises is that they aim at environmental, social or economic regeneration of their areas by providing a wide range of key services to rural communities (e.g. land management, transport services, domiciliary services, care services, housing, radio broadcasting), but also to community groups (e.g. entrepreneurial advice, fundraising, training).

### Social enterprises in the UK

In the face of huge diversity, and subsequently, a lack of standard universally ac-

ceptable definition of social enterprise (MAIR et al. 2006, pp. 4-6; WEERAWARDENA and MORT 2006, pp. 23-24), the authors apply the definition put forward by the UK Government's Social Enterprise Unit in its document "Social enterprise – a Strategy for Success". The strategy states that: "A social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or the community, rather than being driven by the need to maximise profit for shareholders and owners" (DTI 2002, p. 13). This definition, regarded by the leading scholars as most influential in the UK (see DEFOURNY and NYSENS 2008, p. 34), has also been adopted by the Western Isles Council (see CNES 2008, p. 70). With regard to the definition of social enterprises explicitly in Scotland, the Board of the Scottish Social Enterprise Coalition stresses the distinctiveness of the Scottish enterprises and provides a set of "5 Scottish Criteria for Scottish Enterprise". According to the Board, the Scottish social enterprises: 1) should have social or environmental objectives, 2) be trading businesses aspiring financial independence, 3) re-invest their profit in social/environmental purposes, 4) must be independent from a public sector body, 5) are driven by values – both in their mission and business practices (SENSCOT 2010).

Regarding the literature on the interdependence between social enterprises and sustainable rural development, HARDING (2006, p. 4) argues, that "the whole area of social entrepreneurship remains relatively under-researched in terms of its scope, its remit, its role in regeneration and growth". Indeed, there are only a few publications focusing on the characteristics of social enterprises and their contribution to sustainable development in the UK which also include empirical evidence based on case studies. The most important research shall be presented briefly.

HAUGH and PARDY (1999) look at community entrepreneurship as found in a project promoting social and economic

regeneration in economically fragile communities in north-east Scotland. Using a selected community as an example, the paper particularly discusses success factors for promoting community entrepreneurship, which presents a key tool for achieving economic sustainability.

SPEAR (2001) makes an important contribution to the field of research on the social economy in England. In particular, he gives an overview of the types of SEs and new SE sectors. Moreover, two examples of financially self-sustaining co-operatives providing care services in urban areas of the West Midlands and Shropshire are presented.

The origins, strategies and entrepreneurial outcomes of SEs in rural areas are the subject of a qualitative three-year long study on six anonymous SEs in a peripheral region in north-east Scotland conducted by HAUGH (2006). In conclusion, she argues that “the social enterprise approach to exploiting market opportunities which bring much needed goods and services to rural communities creates a valuable policy tool for promoting economic and social regeneration”.

STEINEROWSKI and STEINEROWSKA-STREB (2012) examine promoters and barriers to rural social enterprise development with the aim to identify the contribution of social enterprises in Scotland to creating sustainable rural communities using structuration theory. The main finding is that the remote and rural context in which key activities of social enterprises take place, matters. The context can be understood as a ‘microstructure’ which exposes social enterprises to different structural factors, such as higher costs of running a business in remote and rural areas. The authors conclude that “social enterprises might contribute to creating sustainable rural communities, but to do that, they need to be sustainable themselves” (p. 179).

Finally, the Social Enterprise Monitor 2004 and the Social Enterprise Monitor 2006 (HARDING and COWLING 2004; HARDING 2006) offer a good overview of the statistics on the geography, structure, funding and staff levels of SEs in the UK.

In addition, BUCKINGHAM et al. (2010) provide a more recent review of surveys particularly on the regional geography of social enterprises in the UK.

### Sustainable rural development

Regarding rural development processes, three key publications have been crucial in the promotion of the concept of sustainability: the World Conservation Strategy of the World Conservation Union (IUCN 1980), the Brundtland Report of the World Commission on Environment and Development (UN 1987) and the World Conservation Union’s Report “Caring for the Earth” (IUCN 1991). Referring to these publications, HALL (2005, p.74) argues that the focus of sustainable rural development as a winning concept for rural areas is placed on the concern for the long-term health and integrity of the environment in its holistic sense, the ability to meet present and future needs and the improvement of the quality of life for current and future generations. However, he notes that in relation to rural development, the holistic ethos of sustainability may be lost when applications focus on individual components of rurality, such as the sustainability of agriculture. Therefore, an integrated approach to the interdependence of the socio-cultural, economic and ecological elements of rurality is required.

CURRY (2012, p. 100) stresses the crucial role of economic development policies and locally sensitive spatial planning which should contribute to sustainable rural development through more equal distribution of resources and opportunities in rural areas. In his opinion, development for the creation of jobs, and thence appropriate housing, needs to displace an ethos of no development in rural areas, with human welfare at its core rather than just the natural environment. Additionally, he notes that rural communities often exemplify sustainable development by implementation of local asset-based development, which often takes place outside of any governmental policy framework.

The topic of sustainable rural commu-

nities has also been dealt with in the framework of the Cork Declaration from 1996 which calls on Europe’s policy makers to play an active role in promoting sustainable rural development. The term of sustainability used in the Declaration refers to sustaining the quality and amenity of Europe’s rural landscapes, such as biodiversity, natural resources and cultural identity. Moreover, the Declaration places the emphasis on promoting a bottom-up approach “which harnesses the creativity and solidarity of rural communities” (EUROPEAN COMMISSION 1996, p. 2, WOODS 2005, p. 152). Based on this, it becomes obvious that sustainable rural development cannot be achieved without the involvement of local communities and the processes of self-help.

In German-speaking countries, the concept of sustainable regional development is widely used with regard to the sustainable development of rural areas. BÖCHER (2002, p. 67), for example, states that economic, environmental and social aspects of sustainable development have to be equally addressed by concurrent use of the endogenous potentials of a region. In addition, the involvement and cooperation of regional actors – including economic actors and civil society, in terms of a bottom-up approach, is of huge importance. Also HIRSCHI (2010, p. 1) points out the crucial role of regional and local communities in the translation of sustainable development into action. His point of departure is based on the argument that a certain cohesion in the network structure among actors from different societal sectors and government levels strengthens rural sustainable development.

Concerning sustainable development in mountainous areas, to which the case study area presented in this paper is included, it is important to make a reference to OSTI (1997, pp. 183-184). He states that sustainability in these areas depends among others on the extent to which the demographic imbalance of the population can be kept under control, without affecting local incomes. In this context, OSTI formulates two postulates

for sustainability: 1) the population's right to live in mountains and to enjoy a standard of living similar to that of urban areas; 2) closer control over a long occupied territory by means of a stable human presence. He links environmental sustainability with social sustainability which is the possibility that a stable community can live in the mountains with dignity. A stable mountain community can only survive if it is economically viable. According to MÜLLER (2005, p. 262) this can be reached by a skilful combination of alternative incomes gained e.g. from support programmes for the maintenance of mountain agriculture, successful and direct marketing of agricultural products, an emphasis on traditional craft products, promotion of mountain areas as leisure and touristic space. Finally, he notes: "Should the combination of these sources fail and should the number of jobs created remain insufficient, people are forced to commute out of or even emigrate from such an area" (MÜLLER 2005, p. 263).

Other scholars when writing about sustainable rural development refer to the sustainability of the agri-food sector (e.g. MARSDEN 2006; BUTTEL 2006; REDCLIFT 1997; CAMPBELL 1997; TOVEY 1997). For MARSDEN (2006, p. 201) the way towards sustainable rural development leads through agri-ecology and an ecological modernization process. While the first tries to reinforce interlinkages and foster the multifunctionality of farming systems, the second aims at the institutionalization of ecology in social practices and institutions of production and consumption (MARSDEN, after FROUWS and MOL 1999, p. 271). According to SEVILLA GUZMÁN and WOODGATE (1999, p. 304, after MARSDEN) sustainable societies can only be constructed on the basis of sustainable, local agriculture implying a complete rejection of neo-liberal practices and are based upon the endogenous potentials of locally relevant agri-ecosystems. For REDCLIFT (1997, p. 35), sustainable rural development is linked closely with sustainable use of resource exploitation within a society. A sustainable re-

source system has its origin in the balance between the production of goods and services and the rate at which the resources are consumed. The critical question is therefore not what constitutes sustainable levels of resource use (or exploitation), but how they can be achieved.

### Strategies on sustainable development in the Western Isles

Sustainable development<sup>7</sup> is a crucial issue all across the archipelago of the Western Isles. Against the background of the process of structural change during the 1990s a strong dispute over competing options for future development in the islands had evolved. The case of a proposed superquarry at Lingerbay on the Isle of Harris<sup>8</sup> stands as an example of the controversies among local populations regarding the best way for the islands to go. According to MACKENZIE (2001) the dispute was mainly about different understandings of "sustainability" and "community" with options for a global market-oriented economy on the one hand and a more locally anchored development based on the endogenous potentials of the area on the other (MOSE and JACUNIAK-SUDA 2011). Thus, different interpretations of sustainability had opposed each other, with the rejection of the proposed industrial development finally giving way for a number of community-embedded bottom-up initiatives emerging.

However, for the purpose of this paper, sustainable rural development will be referred to as formulated in the Western Isles Council's Structure Plan and applied to rural areas: "Development which can be shown to improve quality of life through the integration of social, eco-

nomic and environmental factors whilst conserving resources for future generations" (CNES 2003, p. 81). Furthermore, the Council presents the model of "a sustainable community which [...]:

- has a stable and balanced population structure;
- has a buoyant, diverse economy;
- has members who are active and enabled and who value tolerance, egalitarianism, education, safety and health;
- provides access for all to good-quality housing, neighbourhood facilities and social activities;
- values and safeguards its environment, culture and heritage; and
- offers a high quality of life for all".

With a decline in the population as well as a lack of employment opportunities for young people, the Council states that hardly any community in the Western Isles can fulfill the above definition (CNES 2003, p. 11).

In order to deliver Local Agenda 21<sup>9</sup>, as set up in the UK's National Sustainable Development Strategy, the Council has launched the Western Isles Quality of Life Initiative. The Initiative tries to ensure that "sustainability themes are fully considered and reflected in all Comhairle [Western Isles Council] policy statements and decisions and in those of the Community Planning partners. Through the Initiative, the business and community sectors of the Western Isles and individuals within the Western Isles will also be encouraged to have regard to the themes when framing their own policies and when choices are made" (CNES 2011).

The sustainability themes mentioned above are derived from guidance developed from the Scottish Executive as part of its contribution to implementing Agenda 21 at local level (CNES 2003, p. 77) and are shown in Table 1.

Since the late 1990s, a number of projects on enhancing sustainability have been funded by the Council, Highlands and Islands Enterprise (HIE) and the EU. The most well-known projects are the

7 Sustainable development in Scotland has been pursued by a number of programmes and strategies, e.g. Scottish Executive (2003) Partnership for a better Scotland: Partnership Agreement; Scottish Executive (2005) Choosing our Future: Scotland's Sustainable Strategy, December 2005; Scottish Executive (2004) National Planning Framework for Scotland "Links to the partnership agreement"; Scottish Executive et al. (2005) One future - different paths - The UK's shared framework for sustainable development; Scotland Rural Development Programme 2007-2013.

8 More on: [http://www.snh.org.uk/data/boards\\_and\\_committees/main\\_board\\_papers/2004-May11/info6-Lingarabay.pdf](http://www.snh.org.uk/data/boards_and_committees/main_board_papers/2004-May11/info6-Lingarabay.pdf) (13.11.2013).

9 Originally dating back to the UN Conference on Environment and Development (UNCED) held in Rio de Janeiro, Brazil, in 1992.



Themes of sustainability	
ECONOMIC	<ul style="list-style-type: none"><li>- Everyone has the opportunity to undertake satisfying work in a diverse economy.</li><li>- Where possible, local needs are met locally.</li><li>- Everyone has access to good and affordable food, water, shelter and fuel.</li><li>- Links are developed with other parts of the world to share best practice and exchange ideas.</li></ul>
SOCIAL	<ul style="list-style-type: none"><li>- People's good health is protected by creating health services which emphasize on prevention of illness as well as proper care for the sick.</li><li>- Levels of illness and health damaging behaviours are maintained at as low a level as possible.</li><li>- Opportunities for culture, leisure and recreation are readily available to all.</li><li>- All sections of the community are empowered and encouraged to participate in decision making.</li><li>- Everyone has access to and is encouraged to develop the skills, knowledge and information needed to play a full part in society.</li><li>- People live without fear of crime, persecution or discrimination because of their personal beliefs, race, gender, sexuality or disability.</li><li>- Access to facilities, services, goods and other people is not limited to those with cars.</li><li>- Links are developed with other parts of the world to share best practice and exchange ideas.</li></ul>
ENVIRONMENTAL	<ul style="list-style-type: none"><li>- The diversity of wildlife, landscapes and landforms is enhanced and promoted for future generations.</li><li>- People's good health is protected by creating safe, clean, pleasant environments.</li><li>- Resources are used efficiently and waste and pollution minimized.</li><li>- The cultural and historical heritage is enhanced and promoted.</li><li>- Access to facilities, services, goods and other people is not achieved at the expense of the environment.</li><li>- Development of the built environment should be at an appropriate scale and form, valuing diversity and local distinctiveness.</li><li>- Links are developed with other parts of the world to share best practice and exchange ideas.</li></ul>

Source: CNES 2003: p. 77, modified

Tab. 1: Themes of sustainability as formulated by the Western Isles Council

Dùthchas Project and the Initiative at the Edge (e.g. BRODDA 2010).

The Dùthchas Project was a demonstration project funded by the EU Life Environment Programme between 1998 and 2001. Focusing on the Scottish Highlands and Islands, Dùthchas worked with three communities and 22 public agencies to explore ways of sustaining the fragile rural areas – the natural heritage, the people and the economy. As one of the pilot areas, North Uist in the Western Isles was chosen. In each pilot area, a strategic plan of sustainable development was developed as a result of the participative process (THE DÙTHCHAS 2011).

Initiative at the Edge was established in 1998 with the aim of empowering commu-

nities in some of Scotland's most remote and fragile areas, and so to induce the process of sustainable community development. In particular, identifying the needs for area regeneration, developing appropriate actions and carrying out relevant projects in partnership with public sector agencies were the main aims of the Initiative. The financial support was provided by public sector agencies (such as HIE, Communities Scotland, Crofters Commission) working in partnership with community groups within the Initiative areas. Among the 18 selected Initiative at the Edge areas in Scotland, the following regions and towns in the Western Isles participated in the project: Bays of Harris, Eriskay, Lochboisdale, Uig and Bernera (pilot phase:

1998), Barra and Vatersay (main phase: 2004) (SCOTTISH EXECUTIVE 2007, i-ii).

With regard to the activities of the SEs working in the Western Isles today, both initiatives were of crucial importance as they happened to help identify the large (but rather undiscovered) potential for rural regeneration. Thus they functioned as forerunners for the mobilization of local people and to approach current problems of rural development in a participatory way.

Results to sustainable rural development

Characteristic features of the selected social enterprises

The social enterprises examined in this paper represent different types as identified by SPEAR (2001) and SENSOCOT (2010).

Firstly, Galson Estate Trust and North Harris Trust are development trusts which are concerned with the economic, social and environmental aspects of their community needs. They are owned and managed by the local community and aim to generate income through trading activity that enables them to move away from dependency on grant support. As they provide housing and building land for rent and sale, they both show some of the characteristics of housing associations. Both trusts are governed by a board of directors elected from the membership and represent defined areas on the estate.

Secondly, Tagasa Uibhist (Gaelic for "Uist Support") along with Voluntary Action Barra and Vatersay can be described as trading voluntary organisations adapting towards contracting culture and increasing their role as service providers in a range of areas including welfare, training and enterprise development. Voluntary organisations may be charitable trusts, in which case they either rely on fundraising or endowed assets.

Thirdly, Uist Community Riding School and Barra and Vatersay Community Ltd represent community businesses which are community owned companies created to establish and strengthen community structures and services. The overall



## Characteristics of selected social enterprises in the Western Isles

Name	Legal status	Date started	Objectives	Ongoing projects/services	Achievements	Spin-offs
<i>Galson Estate Trust</i>	Development trust	2004	Promoting rural regeneration following principles of sustainable development	<ul style="list-style-type: none"> <li>- Land management services</li> <li>- Wind and wave energy projects</li> <li>- Community Powerdown Initiative (horticultural project)</li> <li>- Community events/consultations</li> <li>- Nature observatory project</li> <li>- Youth Engagement</li> </ul>	<ul style="list-style-type: none"> <li>- Zero Carbon Business Centre</li> <li>- 6 employees, graduate placements</li> <li>- Providing land for sale or rent</li> <li>- Installation of community wind turbine</li> <li>- Recycling Centre</li> </ul>	Galson Energy Ltd; Galson Estate Trading Ltd
<i>North Harris Trust</i>	Development trust	2003	The economic, social and environmental regeneration of North Harris	<ul style="list-style-type: none"> <li>- Ranger &amp; land management services</li> <li>- Native woodland restoration</li> <li>- Research (surveys, monitoring)</li> <li>- Tourism related services (guided walks, wildlife watching)</li> <li>- Wind energy projects</li> <li>- 2 Hydro-power schemes</li> <li>- Community events</li> </ul>	<ul style="list-style-type: none"> <li>- Zero Carbon office premises</li> <li>- Construction of social housing (8 houses) for rent</li> <li>- Providing houses, flats, plots for rent or sale</li> <li>- Community Development Fund</li> <li>- 8 employees, graduate placements</li> <li>- Biomass site (25,000 trees planted for fuel)</li> <li>- The Community Carbon Challenge Project (2009-2011)</li> <li>- Installation of 4 community wind turbines</li> <li>- Community Recycling Centre</li> <li>- North Harris Ranger Service</li> <li>- The North Harris Eagle Observatory</li> </ul>	North Harris Trading Company Ltd
<i>Tagsa Uibhist</i>	Trading voluntary organisation	1999	Providing support for careers, people with dementia and vulnerable people throughout the Uists	<ul style="list-style-type: none"> <li>- Home care services</li> <li>- Transport services and vehicle hire</li> <li>- Handyman service</li> <li>- Mental Health &amp; Wellbeing Outreach Project</li> <li>- Social and Horticultural Project</li> <li>- Domestic cleaning services</li> <li>- Social events for those over 60s</li> </ul>	<ul style="list-style-type: none"> <li>- 40 employees</li> <li>- Community garden</li> <li>- 3 minibuses, 4 smaller vehicles</li> <li>- Respite Care Home</li> </ul>	Tagsa Uibhist Trading Ltd Social Enterprise
<i>Uist Community Riding School</i>	Community business	2004	Promoting riding and healthy well-being	<ul style="list-style-type: none"> <li>- Riding lessons for locals and tourists</li> <li>- Certified training in horse management</li> <li>- Horse therapy sessions</li> <li>- Summer camp and local events</li> </ul>	<ul style="list-style-type: none"> <li>- 1 employee, graduate placements</li> <li>- Indoor and outdoor riding facilities</li> <li>- Indoor riding arena (also for hire)</li> <li>- 18 horses and ponies</li> </ul>	Private equestrian retail business
<i>Voluntary Action Barra &amp; Vatersay</i>	Trading voluntary organisation	1996	Delivering activities that contribute to the long term social, economic and environmental vitality of the islands of Barra and Vatersay	<ul style="list-style-type: none"> <li>- Training, support and advice for community groups</li> <li>- Mental health support project</li> <li>- Barra and Vatersay Community Multimedia Project</li> <li>- Community transport</li> </ul>	<ul style="list-style-type: none"> <li>- 10-12 employees</li> <li>- Barra phone book</li> <li>- Community radio</li> <li>- 2 buses</li> </ul>	Western Isles Citizens Advice Bureau; Western Isles Volunteer Centre
<i>Barra &amp; Vatersay Community Ltd</i>	Community business	2005	Development of the economic, social and cultural sustainability of the Barra and Vatersay community	<ul style="list-style-type: none"> <li>- Northbay Port Users Association Inner Harbour Project &amp; Castlebay Pier Project</li> <li>- Poly-tunnel Garden Project: development of a social enterprise</li> <li>- Barra and Vatersay Produce Group: promoting croft-based production</li> <li>- Northbay Community Initiative</li> <li>- Community Wind Turbine and Recycling projects</li> </ul>	<ul style="list-style-type: none"> <li>- 3 employees</li> <li>- Restoration of Northbay harbour</li> <li>- Community garden</li> <li>- HEET – project on energy cost reduction (completed)</li> <li>- Installation of community wind turbine</li> </ul>	Barra and Vatersay Wind Energy Ltd  Barra and Vatersay Waste Management  Barra and Vatersay Research

Source: Own compilation, Status: November 2013

Tab. 2: Characteristics features of selected social enterprises in the Western Isles

community business spawns various projects which are accountable to the community business.

The selected SEs are managed by a volunteer board of directors elected by the membership which is open to the members of the community. Most of the SEs were established between 1999 and 2005 as a result of land buy-outs and contracting to the public sector. Economic and social regeneration is the main motivation of the SEs, which are under the spotlight. Their activities, originally provided by the public sector, include delivery of various community-driven projects on land management, affordable housing, renewables, recycling, care services, counseling, social inclusion, training, media and information services, leisure, local produce and transport services. In particular, the activities related to the energy sector (e.g. wind energy, small hydro-power facilities, biomass) are the most widespread ones given the income stream they generate. The selected SEs have between two and 40 employees which makes them comparable to small-sized enterprises in Scotland (1 to 49 employees) (THE SCOTTISH GOVERNMENT 2011). Regarding the core funding, this is provided by public sector bodies and voluntary organisations. Additional income streams are generated by the trading arms of the SEs, which provide additional chargeable services, facilities or premises for sale or rent. Leases and royalties are charged if trusts own the land. Moreover, SEs benefit from European, national and local funding (e.g. LEADER, ERDF<sup>10</sup>, SRDF<sup>11</sup>, Community Energy Scotland, Western Isles Council, local development trusts and enterprises, etc.). The case that SEs have varied sources of income is widespread in the UK (SPEAR 2001, p. 258).

Major challenges facing the selected SEs include obtaining matching funding to complement public sector core funding. Another challenge presents sustaining new jobs and services as well as the



Photo 2: Handyman service of Tagsa Uibhist on the former RAF Benbecula station (Tagsa Uibhist 2013)

need to renew the equipment. In general, SEs face difficulties in recruiting qualified staff and volunteers for flexible hours as people currently involved are getting older and young people leave the islands for higher education or better paid jobs. The SEs that provide tourist services suffer in the winter months from a low economic performance due to the lack of visitors. Table 2 provides a summary of the characteristic features of the examined social enterprises.

### Contribution of the selected social enterprises to sustainable rural development

In order to demonstrate what the contribution of the selected SEs to sustainable rural development actually is, the sustainability themes originally developed by the Western Isles Council and presented in the Table 1 will be examined against the specific characteristic features of the SEs. The reason of differentiation is based on the so called triangle of sustainability, possible alternatives are conceivable (e.g. target groups, size, geographical location). Some of the sustainability themes fit into more than one category, therefore the examples of services provided by social enterprises may repeat in the analysis.

### Economic sustainability

The SEs examined have demonstrated their contribution to the economic sustainability of an area by creating employ-

ment, whereby the largest number of jobs were created in the health sector. Some of the SEs offer student placements, so that young people can be involved in community projects. Additionally, the majority of the SEs have given birth to new organisations as trading arms to generate additional income sources. This has been mainly achieved by setting up green energy projects or providing transport and other pay-as-you-go services. Land ownership has the advantage of stable incomes with royalties and leases to be owed and paid.

An SE which can boast of its obvious economic success is Tagsa Uibhist. Back in 2000, it was a volunteer organisation which provided home care services for the elderly. At that time, two members of staff were employed and two minibuses were in operation. Today, Tagsa employs 40 people and its bus fleet consists of 3 minibuses and 4 smaller vehicles. Moreover, Tagsa has broadened its services and opened itself up to people of all ages. Furthermore, in 2010, it set up a trading company with new projects, such as a handyperson<sup>12</sup> and domestic cleaning service. With the latter two projects, Tagsa Uibhist shows that it has adapted to local needs.

It is noticeable that most social enterprises run projects on (renewable) energy which aim to eradicate fuel poverty,

10 European Regional Development Fund

11 Scotland Rural Development Programme

12 Handyman service covers the smaller jobs in and around the home, such as painting, plumbing, repairs, gardening (<http://www.tagsa-uibhist.com/handyman-service/>, 27.11.2013).





Photo 3: Social housing on the North Harris Trust Estate (North Harris Trust 2013)

reduce energy consumption and provide cheaper energy for rural areas. The Community Carbon Challenge project in North Harris Trust provided between 2009-2011 extensive help to houses within the community of North Harris to lower fuel bills, by installing energy saving measures such as roof and cavity wall insulation (NHT 2013).

Communities cannot address all their needs locally, however some examples of good practice do exist. North Harris

Trust is actively involved in providing affordable housing to attract people to the area and reverse depopulation. So far, eight homes and two flats have become available for rent as a result of cooperation with local organisations and land owners.

Furthermore, North Harris Trust and Galson Estate Trust offer plots of land for building houses. The renovation of the inner harbour on Barra assisted by Barra and Vatersay Community Ltd also con-

tributes to better entrepreneurial activity by local fishermen.

Another example of meeting local needs locally is the “Social and Horticultural Project” run by Tagsa Uibhist. Horticultural produce is usually sold to individual customers, to a local restaurant, cafe and food shop. Also Barra and Vatersay Community Ltd assist a poly-tunnel garden project “Northbay Community Garden” which in the meantime has its own committee and staff. The project supports the development of local food by promoting croft-based production of livestock and vegetables for local consumption.

### *Social sustainability*

All SEs examined contribute indirectly to social sustainability, basically by job creation or housing provision, so residents can work and live close to their relatives and friends thereby contributing to more vibrant community life.

SEs that make the most direct contribution to social sustainability are ones that provide care services on behalf of the public sector, such as Tagsa Uibhist. This organisation offers a wide range of flexible health services, including home care for vulnerable people and those with dementia. Further, it provides support for carers support for carers, care training, door-to-door bus services for the elderly and people with mobility problems. In addition, a point of contact offering support and information for people with mental health problems or their relatives also exists. In cooperation with East Camp Trust<sup>13</sup>, Tagsa Uibhist runs a horticultural project in which people with mental health problems are involved. So far, together with other members of the community, a sensory garden and picnic area, windbreaks and vegetable plots have been constructed and maintained.

Also, Galson Trust Estate runs a horticultural project called “Community Pow-



Photo 4: Restored Northbay inner harbour (Jacuniak-Suda 2012)

<sup>13</sup> East Camp Trust is a consortium of 3 community organisations that have turned a disused RAF base into a social enterprise development park (<http://www.cne-siar.gov.uk/communitysupport/northuistberneray.asp>, 25.11.2013).





Photo 5: Community garden of Tagsa Uibhist (Jacuniak-Suda 2010)

erdown Initiative” with the aim of encouraging children from local schools to grow their own plants and raise awareness of healthy lifestyles. At this point, credit must be given to a large number of volunteers who support many activities of social enterprises. For example, 7 volunteers assist the social and horticultural project of Tagsa Uibhist.

Uist Community Riding School also contributes to social sustainability. The School provides a wide range of equestrian activities, ranging from riding lessons and dressage to jumping and training in horse management. It also offers a number of activities, such as summer camps, beach rides, distance rides and own-a-pony days. During the summer months, special community events take place. The School runs, in addition, weekly activities for children and young people with disabilities. People with mental health problems, for whom Tagsa Uibhist cares, are involved in the work on the school premises, such as gardening, grass cutting, etc. Uist Community Riding School relies on a large proportion of voluntary work; however the volunteers benefit in terms of learning and social development.

Communication with communities and therefore community involvement in lo-

cal decision-making is very important. However, certain groups, such as young people and children, should be encouraged to participate more than they have done so far. Little has, however, been done by these SEs to promote cultural distinctiveness and enhance historical heritage in terms of concrete long-term



Photo 6: Horses of the Uist Community Riding School (Jacuniak-Suda 2010)

projects, although cultural events such as ceilidhs<sup>14</sup>, photographic competitions or community markets take place occasion-

<sup>14</sup> Traditional Scottish social evening party with music, dancing and storytelling (cf. <http://www.scotland.org/features/ceilidh-dancing/> 10.06.2014).

ally. An exception is Voluntary Action Barra and Vatersay, which runs a community radio and newspaper and promotes the use of the Gaelic language.

Regarding the development of skills and knowledge, some of the SEs offer training in their specific field of activity, such as care services (Tagsa Uibhist) or business management (Voluntary Action Barra and Vatersay) on behalf of public sector bodies. In the case of the development trusts, rangers are in charge of environmental education.

The SEs are not directly involved in tackling crime and discrimination.

“Access to facilities, services, goods and other people is not limited to those with cars” – this statement of the Western Isles Council (see Table 1) is true with regard to the transport service provided by Tagsa Uibhist and Voluntary Action Barra and Vatersay. This includes transport to local shops, general practitioners, post offices and to other destinations for the elderly and people with mobility problems on behalf of the contract with public sector bodies. In addition, chargeable services are provided: school and nursery transport, transport related

to sport events, youth cafés, outings of over 60s groups, etc. The minibuses are also available for private rent. Regarding the demand, Tagsa Uibhist reports 55 people using their bus services for shopping; 61 people for social outings, 78





Photo 7: Broadcasting studio of the Voluntary Action Barra and Vatersay (Jacuniak-Suda 2010)

people are registered on the "Dial a Bus" service.

With the exception of the Uist Community Riding School, Galson Trust (Youth Project) and Voluntary Action Barra and Vatersay (Multi Media Project), there are still an insufficient number of direct projects tailored to the needs of young people. There is a lack of job creation initiatives and leisure services for young people

which could be offered by the SEs. As the decline in population has been a continuous challenge over the last couple of years, the development of an adequate strategy to tackle this should be a priority for SEs.

#### *Environmental sustainability*

In particular, Galson Estate Trust and North Harris Trust are actively involved

in land management and nature conservation. In addition, they work closely with Scottish Natural Heritage and are involved in managing protected areas in their jurisdiction. Tackling the problem of the high population of rabbits, hedgehogs and deer as well as invasive species is a priority. Moreover, North Harris Trust carries out surveys on wet heaths, alpine grasslands and on the Golden Eagle population. Both development trusts provide ranger services to raise environmental awareness and promote environmental education<sup>15</sup>. The Trusts' activities are supported regularly by a group of John Muir Trust volunteers as well as local volunteer groups.

In promoting wildlife, landscape and landforms among visitors, the Trusts offer guided thematic walks (Golden Eagle, deer and machair<sup>16</sup>). To attract tourists, North Harris Trust has been currently working on a programme to repair and upgrade the existing network of tracks, which is around 30 miles in length. Moreover, a project to improve tourist infrastructure and provide facilities such as toilets, showers, campervans and overnight pitches for camping is underway. Tourism was a topic of the THETA Project, run by the Galson Estate Trust and aimed at promoting tourism based upon the unique cultural, environmental and historical assets of the area.

Recycling is also high on the agenda of SEs. Galson Estate Trust, North Harris Trust and Barra and Vatersay Community Ltd run skip and recycling services on behalf of the Western Isles Council. Furthermore, the three social enterprises promote the use of renewable energy, and, in doing so, contribute to reductions in CO<sub>2</sub> emissions. The newly built office premises of the North Harris Trust and the Galson Estate Trust were designed to be energy efficient. In the medium term



Photo 8: Golden eagle guided walk with the assistance of the BBC Alba (Jacuniak-Suda 2012)

<sup>15</sup> Due to funding cuts, the ranger service on the Galson Estate Trust was stopped in 2011 (<http://www.galsontrust.com/#/land-environment/4556066603> (25.11.2013)).

<sup>16</sup> Machair is a type of dune pasture (often calcareous) that is subject to local cultivation, and has developed in wet and windy conditions (<http://www.snh.org.uk/publications/on-line/livinglandscapes/machair/whatis.asp>, 25.11.2013).

the latter organisation aims at the provision of a low carbon alternative community vehicle and charge point for a network serving electric vehicles (Galson Estate Trust 2011, p. 11).

## Discussion

Some of the results of our own empirical research in the Western Isles can be verified by the research that others have carried out with regard to social enterprises in peripheral rural areas.

SPEAR (2001, p. 258) conducted qualitative research on financially self-sufficient and viable SEs, in which he confirms that a large number of volunteers tend to be involved in community businesses and trusts very similar to the situation in the Western Isles. He points to social innovation in his case studies, expressed by the involvement of volunteers. Furthermore, SPEAR (2001, p. 268) argues that economic innovation of welfare services is reflected by the fact that the services are more varied, cover a wider range and are often cheaper. He also notes that those SEs which have endowed assets (e.g. settlements) have more stable operations. Looking at the wide range of services provided by some of the SEs presented in this paper, as well as their strong integration within their communities, all of the selected cases can be regarded as economically and socially innovative.

Regarding contributions of SEs to economic, social and environmental sustainability, our own findings can be discussed especially in consideration of the findings of HAUGH (2006) as the aim of her study was to examine SEs with regard to economic, social and environmental regeneration. As the aim of regeneration is closely linked to the sustainable development objectives, a common ground exists for a comparison of results. HAUGH (2006, p. 200) observed that SEs in the north-east of Scotland have direct economic outcomes which include the creation of new organisations, employment opportunities and income. The indirect economic outcome relates to raising the skills levels of the local population. These findings support the findings of this pa-



*Photo 9: New zero carbon business centre on the Galson Estate Trust Estate (Galson Estate Trust 2013)*

per. Every SE investigated in the Western Isles has created jobs and thereby provided new sources of income. Even if some of the created jobs are likely to disappear in the future, skills and experience acquired will be an asset for people to find other jobs or set up their own businesses. Furthermore, new forms of employment and income will contribute considerably to the diversification of the local economy and thereby help to overcome the critical dependency of the labour market on public sector employment. According to SCHMIED (2004), for a long time this had to be seen as a major obstacle for a sustainable development of the islands. However, by now directly addressing this problem, SEs are likely to make a significant difference

Regarding the social inclusion and integration, HAUGH (2006, p. 194) noted that transport services reduced social exclusion by providing access, for example to healthcare services, education and leisure facilities. These findings are similar to the outcomes of this paper. However, in the case of the Western Isles, the SEs providing transport services were not originally transport enterprises. A transport service is just another service which they offer, out of which additional revenue is generated. The diversity of the community services which are provided

makes up the specific character of the SEs in the Western Isles. In contrast, the examined SEs in north-east Scotland focus mainly on one core field of activity (e.g. transport, tourism or sports).

Environmental regeneration in the study of HAUGH (2006, p. 195) was achieved by implementing measures which improved the physical appearance of the environment, such as improving village streets, renovating and reusing derelict buildings and removing dangerous structures. This contrasts strongly with the environmental activities of the SEs in the Western Isles. Again, the diversity of the environmental projects provided in the Western Isles by the SEs examined (mainly development trusts) is striking as they carry out projects on renewables, energy savings, management of fauna and flora, tourism, etc. Summing up, environmental issues and projects on renewables are high on the agenda of the selected SEs.

The findings of HAUGH (2006) differ from the results of this paper only in the context of environmental regeneration. However, as the SEs examined by HAUGH are coded and thus anonymous, it is difficult to identify the type(s) of enterprise. Unfortunately, this limitation does not explain why the SEs in north-east Scotland do not deal with wider environmental as-



pects. It is interesting, as they are peripherally located, so at least with respect to their proximity to open countryside they should have been concerned with such issues.

Since economic sustainability cannot be achieved without community entrepreneurship, we will look at some selected success factors for a project to promote community entrepreneurship as examined in north-east Scotland by HAUGH and PARDY (1999). Although the thematic scope of the SEs examined in this paper is not solely limited to promoting community entrepreneurship, the following two factors may still apply.

Firstly, HAUGH and PARDY (1999) argue that the ability to mobilise a whole community into action is critical. This can be achieved by the establishment of a group of individuals sufficiently motivated to take on the challenge. Our results show that the emergence of the examined SEs in the Western Isles reflects high community mobilisation, as a number of residents including crofters, entrepreneurs, local dwellers and newcomers took on the challenge to contribute to community development and support strongly the activities provided by the SEs. Besides, this is especially true when looking at the land trusts such as the Galson Estate or the North Harris Trust. As SKERRATT (2011, p. 1) states, "Ownership leads directly to the development of: private enterprise, investment due to security of tenure, affordable housing for rent and purchase, renewable energy schemes, infrastructure development, as well as on-going estate management." By doing so, the focus of community land trusts is on long-term sustainability of the community and its land for future generations. However, based on the results of our research, the long-term involvement of local young people in community groups or land trusts still presents a difficulty.

Secondly, according to HAUGH and PARDY (1999) the development of community entrepreneurship requires an environment in which entrepreneurial activity is both encouraged and supported in the long term, not just for the duration of a specific

project or initiative. It is in this role that policy should be designed to foster the confidence in communities so that they are continuously involved in their own regeneration. The emergence of a local creative milieu (FROMHOLD-EISEBITH 1999) and "an appropriate social climate for entrepreneurship" (SCHUMPETER in accordance with KALANTARIDIS 2004, p. 65) are apparent in the case of SEs. Previously running and current community programmes, such as Dúthchas, Initiative at the Edge and LEADER programme, are only a few examples of programmes fostering community entrepreneurship and from which the examined SEs have benefited. The "community-led local development" (CLLD), the new financial instrument of the EU for the funding period 2014-2020, offers here an option for promoting social enterprises as drivers of sustainable rural development through promotion of urban-rural partnerships in smaller functional territories with a limited population (EUROPEAN COMMISSION 2012, p. 65).

The diversity of services provided by the examined SEs in the Western Isles may reflect the various needs of the areas concerned, but also the various skills of people involved, who even without a specific academic background demonstrate experience and a high level of readiness to take on risk. As the Western Isles have a history of being quite sustaining, it is against this backdrop that people have been very resourceful out of necessity. This has led to a pluralistic economy where residents may have a number of sources of income (e.g. crofter and fisherman, crofter and council employee, crofter and bus driver) and, therefore, have acquired a number of skills. These skills – along with a good knowledge of local actors and community needs, informal social networks, shared norms and trust defined as *social capital* (PUTNAM 1995; BOURDIEU 1986) – can act as a facilitator of SEs and sustainable rural communities. To give an example, both the land trusts in Galson and North Harris would probably not have developed if people had not felt connected through the values shared regarding the common

use of land and the respect for the richness of its natural and cultural assets.

At the same time the role of national and regional government bodies need to be acknowledged and further encouraged with respect to the provision of respective legislation, seed funding and advice in order to enable community "spirit" and engagement. The realization of the "Big Society" idea of the UK's Government should not rest solely on rural communities, social enterprises and volunteers.

Returning to the definition of sustainability and sustainability themes formulated by the Western Isles Council (see Table 1), it appears surprising that the future perspective is missing, in contrast to the core feature of the concept of sustainable development as put forward by the Brundtland Report: "Sustainable development is development that meets the needs of the present without compromising the ability of *future generations to meet their own needs*" (UN 1987). For example, it is striking that the Council highlights features which characterise a sustainable community and disregards the needs of future generations for long-term jobs and housing<sup>17</sup>. However, some of the activities of SEs presented in this paper have recognized these needs by providing affordable housing, investing in the renewable energy sector, and other initiatives.

## Conclusions

The objective of this paper was to examine the specific features of SEs in the Western Isles, and their contribution to sustainable rural development. The examined SEs represent development trusts, voluntary trading organisations and community businesses. The motivation of the selected enterprises relates to the type of the SE. However, the economic, social and environmental regeneration of the respective communities was the most common motivation. In particular, providing support to vulnerable people, supporting community groups and providing rural communities with various

<sup>17</sup> This gap has been recognised and filled in the successor of the plan, the Outer Hebrides Local Development Plan from 2011.

services and leisure activities were the other sources of motivation

There is no one tightly defined specific activity that can be associated with one type of enterprise. The diversity of provided community services makes up the specific characteristics of SEs in the Western Isles. Development trusts deal with land management, estate management, nature conservation, renewables and environmental education, but also housing and energy saving. The voluntary trading organisations are likely to provide health and care services, transport services, advice and community information, training and counseling. Community businesses, subsidiaries of development trusts, also demonstrate various types of activities: horticultural projects, development of marinas, recycling, projects on energy saving and renewables. With respect to the latter, the results of our research have clearly shown that social enterprises act as local drivers for renewable energy transition through the promotion of wind turbines, and in future – wave and electric cars.

Only one community business has a specific activity, and that is horse riding. Surprisingly, this enterprise has the lowest number of staff and a lack of additional income. In this regard it is likely to be dependent on external funding. From this observation, the following thesis can be formulated: the more diverse activities and services an SE can provide, the less likely it is to be dependent on public funding and, therefore, it is more sustainable. The diversity of services provided by the examined SEs in the Western Isles might reflect the various needs of the areas concerned but also the various skills of people involved. A history of inherent self sufficiency has resulted in the inhabitants of the Western Isles being very resourceful out of necessity. This has led to a diverse economy where residents may have a number of different sources of income and through this have acquired a number of skills. The most important achievement of the examined SEs is in job creation as well as the setting up of trading companies which generate an additional source of income.

Each of the examined SEs contributes to sustainable rural development. This is not only limited to any one aspect (economic, social or environmental) but covers mainly two or three dimensions concurrently. Economic sustainability is evident when one considers the jobs created, additional source incomes and trading companies set up. Social sustainability is apparent from the resulting social inclusion and integration which an individual project shows. This applies to transport services; horticultural projects involving people with disabilities and/or mental health problems; the provision of affordable housing. Regarding environmental sustainability, projects involving renewables, energy savings, nature oriented tourism and environmental education are widespread. Summing up, the results of this research show that sustainable rural development leads to a significant increase of life quality and can be achieved by social enterprises following the bottom-up approach. Projects developed in consultation with local communities are very likely to serve also the future generations.

The only aspect in which the SEs are not sufficiently active in a sustainable sense has to do with the absence or shortage of projects addressed to young people and involving young people as decision-makers and project-initiators. In the face of continuous population decline, projects specifically tailored to young people's needs (e.g. leisure, vocational training, employment initiatives) should be recognised by the SEs as one of the highest priorities. Sustainable rural development depends not only on achieving particular economic, environmental or social goals, but also on long-term participation and the commitment of local actors equally representing the public, private and social sector. In this context, the critical condition for a sustainable rural development in the Western Isles, as well as in other rural peripheral areas, is the requirement to involve young people: pupils, teenagers and young adults in decision making processes of community development, so a sense of belonging and

responsibility for the place they were born and raised can grow.

Finally, even though there is still room for further improvements, the outcomes of the selected SEs activities in the Western Isles so far are impressive. Although it is certainly difficult to generalize our findings and however small-scale some of the projects presented in this paper appear to be, especially in terms of employment and income, they definitely have prepared the grounds for further development among many island communities. This is particularly valuable with regard to the long experience of the islands being dependent on public sector employment as well as public subsidies. It is against this background that the Western Isles can stand as an exciting example of regeneration of a *classic* rural periphery and a once *lost place*. Certainly further empirical research is required to extend the basis of empirical data and gain additional insight of the SEs' performance, making possible more sound and general conclusions. Thus, it still remains to be seen whether the initiatives outlined above will finally pave the pathways for a more sustainable future, which local communities have struggled to attain for so long.

### Acknowledgements

A first draft of this article was presented at the 9th Rural Entrepreneurship Conference in June 2011 organised by the Nottingham Business School and at the PhD Winter School "Rural development in peri-urban areas" organised by the Institute for Agricultural and Fisheries Research (ILVO), Belgium, in February 2012. We would like to thank the conference/workshop participants as well as the reviewers of Europa Regional for their comments. Last but not least, our sincere thanks go to the interviewees for their time, provided data, crucial information, hospitality and comments on the earlier version of this paper. The study was supported by the research project "Regional Governance in rural peripheral areas in Europe – constellations of regional actors as a key factor for regional development" (2008-2011), based at Carl von Ossietzky



University Oldenburg and funded by the German Research Foundation (DFG).

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## Résumé

MARTA JACUNIAK-SUDA et INGO MOSE

### **Les entreprises sociales dans les îles Occidentales (Écosse): moteurs d'un développement rural durable?**

Comme beaucoup d'autres zones périphériques de l'Europe, les îles Occidentales (Hébrides Extérieures) ont été considérées pendant longtemps comme arriérées et sous-développées. Il semblait même que la perception négative des îles Occidentales en tant que périphérie fragile s'accroissait sous l'effet de pertes démographiques constantes, de la faiblesse des implantations d'entreprises et du refus des grands projets industriels et également des projets écologiques.

Toutefois, sous l'effet de processus de transformations structurelles en profondeur (mondialisation, politique de développement des régions rurales de l'Union Européenne, dévolution écossaise, nouvelles formes de la gestion publique), du capital social croissant et de la conscience locale, les îles sont considérées désormais comme un exemple de régénération régionale positive sur la base de ressources endogènes. Cette évolution se caractérise en particulier par le nombre croissant des entreprises sociales qui proposent des services importants ayant fait longtemps défaut, par exemple dans le secteur des transports publics, des soins de santé, du logement et de la formation pour n'en retenir que quelques-uns. Nous sommes donc témoins d'une évolution propice pour redéfinir les priorités locales et trouver de nouvelles voies pour un développement durable.

Sur la base du résultat d'études quantitatives, l'auteur donne un aperçu de certaines entreprises sociales dans les îles Occidentales. Il concentre en particulier son attention sur les éléments caractéristiques et sur l'apport des entreprises sociales à un développement rural durable.

Développement rural durable, aires rurales périphériques, entreprises sociales, Écosse

## Резюме

Марта Яцуняк-Суда, Инго Мозе

### **Социальное предпринимательство на Западных островах/Внешних Гебридах (Шотландия) как проводник устойчивого развития сельских районов?**

Как и многие другие сельские периферийные районы Европы, Западные острова (Внешние Гебриды) уже давно воспринимаются как отсталые и слабо развитые. На фоне всё продолжающейся убыли численности населения, слабо выраженной предпринимательской деятельности и в недавнем прошлом отказа от развития крупной промышленности и природоохранных проектов оказалось, что восприятие Западных островов как хрупкой, неустойчивой периферии ещё более укрепились.

В свете основных структурных трансформационных процессов (глобализация, политика развития сельских районов в ЕС, шотландская деволюция, т.е. делегирование центральными органами части своих полномочий местным властям, новые формы государственного управления), возрастания социального капитала и местного самосознания, острова служат в то же время примером успешной регенерации региона на основе его эндогенного потенциала. Это находит своё отражение прежде всего в растущем числе социальных предприятий, которые начали предоставлять длительное время отсутствовавшие базовые услуги, среди прочего, если указать только некоторые – в области общественного транспорта, здравоохранения, жилья и образования. Таким образом, был приведён в движение процесс, способствующий пересмотру местных приоритетов, а также служащий для разработки соответствующих вариантов устойчивого развития.

На основании результатов качественных исследований в приведённой статье приводится обзор отдельных социальных предприятий Западных островов. В центре внимания здесь находятся характеристика и вклад социальных предприятий в устойчивое развитие сельских районов.

Устойчивое развитие сельских районов, периферийные сельские районы, социальные предприятия, Шотландия